Guvernul Romaniei
Ministerul Mediului si Gospodaririi Apelor
Ministerul Administratiei si Internelor

Proiect finantat de
Uniunea Europeana

Manual

Personnel planning

(draft – version 2)

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ROYAL HASKONING

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INTRODUCTION

1.1 Personnel planning: what is it?

Purpose
Personnel planning is an important function of Human Resources Management (HRM). With personnel planning, one tries to get 'the right persons on the right job in the right time".

In more managerial terms, personnel planning aims to determine the required future personnel strength of the organisation in terms of quality and quantity as well as determining the ways to arrive at the desired situation.

What does the organisation need in terms of quantities and quality of staff for the tasks which need to be done in the next future?

Personnel planning is therefore is part of a cyclic management process with the common management cycle phases:

- Analyses (of the current and desired situation)
- Planning
- Implementation
- Monitoring (of activities and results).

Personnel planning therefore does not stand alone, but should be preceded by an analysis of the situation, and followed by the implementation and of course monitoring of the activities and results.

Personnel planning is pro-active
Personnel planning should therefore be dealt with in a pro-active way: forward looking and trying to steer and influence. Also, taking now measures to have a far better situation and solutions in the near future.

Example: replacement of supervisor

- *Reactive: Staffing is currently found adequate till the moment the head of the unit retires. That retirement could be foreseen, but the management and HRM did not discuss this seriously for various reasons. "Too busy, the man is still here, do not raise expections". The organisation has to appoint nearly immediately a successor from the existing staf. That is the source of people the organisation has at this moment. Alternatively, when nobody is qualified, a vacancy may emerge.*
- *Pro-active. One can predict that the head will retire. The organisation can prepare one or two potential internal candidates by e.g. training and giving them management experience, e.g. though special assignments and coaching. Alternatively, the organisation has time to identify, recruit external candidates.*

The authors of this manual are aware of the practical difficulties in introducing and implementing pro-active personnel planning. Yet, all - even small - steps that can be made towards real personnel planning are welcome and necessary for a proper operating company. This manual will therefore bring basic approaches and

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instruments that will allow HR managers and line managers to arrive at a more pro-active personnel planning.

1.2 Structure of this manual

In this manual the following topics will be dealt with:

- Time perspective (Chapter 2)
- Analyses for personnel planning: the inputs and variables that may influence personnel strength (Chapter 3)
- How to come from analyses to plan (Chapter 4)
- Personnel plan format (Chapter 5)
- Implementation of personnel planning (Chapter 6)
- Monitoring of personnel planning and the related activities (Chapter 7).

PERSONNEL PLANNING – THE TIME PERSPECTIVE

Time can bring more and better solutions…

Personnel planning means looking forward and trying to steer and influence the future situation. But when you have some more time available….

- One may look into the problem or desire more thoroughly and develop alternatives
- There is more time available to negotiate and take decisions
- There is more time to prepare and even test the measures and solutions.

Example River crossing

You are at the bank of a river and you need to cross that one. If you have only half an hour time, there are only few options:

- *Trial and error: try to cross the river and find out whether you can do it knees deep in the water, have to swim or perhaps even will drown.*
- *Briefly look around and find out whether there is a bridge, ferry or other way of crossing.*
- *Abandon crossing the river.*

In case you have a week available, likely you have far more options. E.g.:

- *Building a raft, boat or a small bridge.*
- *Make a survey in the surroundings with regard to alternatives for crossing (existing ferries, bridges, tunnels)*
- *Wait till the water level drops: it may be a tidal river or the river is just experiences a flooding which will afterwards reside.*
- *Find out from local people ways and assistance to cross the river safely and in a convenient way.*

It is also imperative that once the organisation 'knows' where it wants to be, it starts to work on it right now, to ensure that the organisation is indeed ready for the future. Some activities need time!

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Personnel planning therefore needs to look in the future and deciding what will be done. Taking a too short time frame is not that useful as your options for steering and action are limited.¶
A time frame of half a year is a practical minimum, but only for short term measures. For real personnel planning, a time horizon of approximately 3 year (medium-term) is more appropriate and recommended. ¶
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The leading questions for personnel planning becomes therefore:¶

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Example ***Prepare staffing of wastewater treatment***

You know that there will be a new, modern wastewater treatment in some 3 years time. New technology and more efficiency of operations are foreseen. You may expect that this will require fewer personnel to operate, however with higher qualifications. You may decide e.g.:

- *To stop starting now recruitment of unskilled workers in case of vacancies. Alternatively, in case really required, the workers are offered a temporary labour contract only.*
- *Seek possibilities to transfer workers from the treatment works that miss the proper qualifications for the future to other functions in the organisation.*
- *Draw up job descriptions for the 'new style operators' and start to train existing staff and/or recruit new staff.*
- *Ensure sufficient and adequate training opportunities, e.g. external or on-job during construction of the treatment works.*

Now versus future

For personnel planning, information from and collaboration with line management is of utmost importance. Yet, line management is usually heavily occupied with the day-to-day business, certainly the operational managers. They usually devote little time with regard to the medium term. Often simply because that time frame is not theirs and they have little say in it. Their concern is 'today and tomorrow'. Asked about staffing, they often voice that they need more and more qualified staff to deal with the job. Apart from that: "No changes possible, no changes please…".

The task and challenge of HR and top management is break through the pattern of the today's problems and bring the future perspective. Also, by a time horizon of 3 years the problems of today can be bypassed or even ignored.

The strategic approach for personnel planning is therefore to take as starting point 'over three years' and go backward to decide what should be done to arrive there. This approach is usually more convenient and productive than trying to address the most pressing problems of today and gradually scale that up to a medium-term perspective.

3 ANALYSES: INPUTS FOR PERSONNEL PLANNING

Personnel planning requires information on the future as well as on the existing situation. Based on the analyses of this information, one can decide what the objectives should be and how to arrive at or approach that situation.

Of course one should aim at the future, but without proper information about the current situation – the point of departure - it will be difficult or even rather useless to determine what one should do to achieve the objectives.

Current situation – 'how are we doing?'

Information about the current situation is about the organisational setup, the organisational performance, personnel working with the organisation and the performance of personnel in general.

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Usually, this information is in one or the other way available or can be made available. Typically, one should think of:

- Organisation chart
- Key performance indicators (technical, financial, personnel), benchmarking and trend analyses
- List of staff (approved formation and actual list of staff)
- Reports and analyses consolidated from performance appraisal system
- Experiences (data) with regard to turnover and recruitment of staff
- Indications for areas and competences that require improvement; indications for areas and compentences that are well-performing and successful (SWOT).

Mapping the areas for improvement and well-performing or successful areas can sometimes be done through a SWOT analyses. (SWOT = strengths, weaknesses, opportunities and threats).
For a certain organisation or organisational unit, one looks into the positive and negative forces and factors that influence performance. Internally: in the unit of observation as well as external.
SWOT does not only look at the current situation, but also already a bit ahead. For our purpose of personnel planning, SWOT should particularly address and focus on matters of and relevance for organisation and personnel. (Not everything is important or relevant).

A SWOT analyses can be summarised in a matrix.

Fig. 1 Example SWOT analyses summary

	Positive factors and forces	**Negative factors and forces**
Internal	**Strengths** 1. Sufficient qualified staff 2. Little downtime, no complaints 3.	**Weaknesses** 1. High cost of staff 2. Obsolete equipment 3.
External	**Opportunities** 1. New technology available for process control. 2. External finance accessible for innovations. 3.	**Threats** 1. Growing cost of labour (labour market problems) 2. Labour protection regulations result in cumbersome procedures. 3.

The future – 'what is it likely to be?'
Of course, it is difficult if not impossible to fully predict the future. And the more distant this future, the more uncertain it usually is. Yet, a number of developments, ideas or even matters of facts of the organisation and its environment can and should be sketched. There are views about the future, there are policies and plans, there are ambitions, there is upcoming legislation, there are changing sources of finance and so on. The water company is already experiencing and dealing with these, so looking into the future and trying to steer, prepare and cope with this is nothing unusual in the water company. Perhaps doing that specifically for personnel is somewhat new…

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With regard to the information one need to gather, analyse and consider, this is typically the following:

- Company policy. HR is part of the company policy. So, company policy documents may contain (or better: should!) statements that are relevant for HR management. There may be even a specific HR policy. How does the company view its staff, its human resources? What does it want to do with them? How are the roles, relations and responsibilities? Does the policy envisage certain changes?
- Master Plan. How does the organisation view its future? What will be the service areas, customers, technology? What will that imply for organisation and personnel?
- Business Plan. Quite some companies avail of a multi-year business plan. In this business plan, the strategy and ambitions are elaborated in more concrete objectives, activities and resources. Notably, the financial aspects of the strategy and ambitions are reflected in a business plan.
- Plans to change the organisation (e.g. regionalisation, outsourcing).
- Expected and foreseen changes in technology. This covers both the 'technical technology' and the non-technical technology. The latter e.g. administrative systems, information systems, communication and decision-making. Main question in this is: "Are we going to do the things differently?"
- Expected work load: more/less customers, volume units, transaction, hours, irregularities etc.
- Expected turnover of staff: retirements, voluntary leave.
- Changes in the labour market (schools, education, training institutes; competition and surpluses)
- Cost of personnel: internally the remuneration system, externally developments on the labour market.
- Labour regulations. New regulations may force certain changes in personnel management, e.g. qualifications, safety measures.
- Plan to improve organisational performance and management systems. E.g. efficiency improvement, quality assurance systems, integrated management systems.
- General trends and development in society, having effects on the personnel and organisation. E.g. flexibility of working hours, communication and democracy, views on management systems. Often, these demands may be voiced by trade unions and other representing organisations.

It is certainly possible to predict, sketch or assume a number of important factors and changes that may have their effects on personnel and organisation. That picture may not be complete or perfect, but a picture can usually be sketched.
Anyhow, monitoring is part-and-parcel of HR management. That means that over time one can review the picture and change or refine it as and when required.

4 FROM ANALYSES TO PLANNING: HOW TO

4.1 General

Analyses and planning can not strictly be separated. Gradually, one moves from the analyses into a plan. Also, there is hardly a 'scientific' way to arrive at a personnel

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plan. A lot is depending on managerial insight, experience and 'feeling'. Yet, some guidelines can be provided to assist management and HR experts in arriving at a personnel plan.
This chapter presents a practical methodology for personnel planning. First, the approach is elaborated (Section 4.2), thereafter a step-by-step methodology is presented (Section 4.3).

4.2 Approach

Level of management
Personnel planning should be done at a relative high level of the organisation, at least at the level where the management can still give shape to the future in terms of strategic decisions. Therefore, for personnel planning the right level of management needs to be determined. That management level should have sufficient insight and 'oversight' and be able to consider and decide on alternatives. Generally speaking, on the lower levels, management is in practice hardly in a position to consider strategic alternatives and decide upon it. This level is merely in charge with tactical-operational matters of today and tomorrow. These lower management levels may provide information and be consulted, but are usually not the main actors in personnel planning. Additionally, the lower management levels are often relatively 'conservative' with regard to 'their' subordinates and often they incline to protect their 'kingdom': hardly enough staff, but those who are there are properly qualified. It is therefore difficult to expect a critical and 'change' attitude from them.
In a water company, the personnel planning should therefore likely not be discussed at the level of sections, but at the level of departments. (Not the treatment, but production; not repair section, but distribution; not billing section collection, but commercial).

Management responsibility
The discussions on personnel management require that the involved management levels are indeed and feel responsible for the performance of their organisational unit and the organisation as a whole. This means that:

- Management should aim at effective and efficient operations of the organisation. Objectives and performance criteria should be clear and transparent.
- Management should have insight information about the performance of their units and the organisation as a whole. Performance reports and access to and sharing of information are crucial in these.
- Management should be in a position to take decisions regarding in this case notably personnel and organisation.
- Management should be held accountable for their organisational units and the performance.

This requires an active role of management and a commitment to 'get the best out of the organisation'.

4.3 Planning methodology – 4 steps

The process from analyses to an operational plan can be done with a step-by-step approach.

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Table 1 **4-steps**

Pas 1	Sumarul analizei
Pas 2	Determinarea obiectivelor
Pas 3	Determinarea modurilor şi a mijloacelor de atingere a obiectivelor
Pas 4	Determinarea acțiunilor care trebuie realizate

Pas 1 **Sumarul analizei**

Sumarul nanlizei trebuie făcut pâna la punctul în care ne asigurăm că stim care sunt principalele problele ce trebuie rezolvate, şi cunoastem nevoile de personal. Numai problemele mai importante sunt menționate, nu şi cele minore sau evidente.

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Table 2 Sumar analiză

	Aspect	Concluzii
A	Politica companiei şi planuri • Politici generale • Planuri	
B	Rezultate • Mai mult, mai puțin, diferite tipuri de rezultate	
C	Măsuri de eficientizare necesare	
D	Tehnologie • Hardware • Sisteme informatice • Modul de lucru	
E	Presiune externă, factori • Legislație, regulamente • Piața muncii	
D	Personalul curent • Număr • Calificări • Performanță • Schimbări anticipate	

Pas 2 Determină objectivele

Pe baza sumarului analizei efectuate, managementul trebuie invitat să precizeze care sunt obiectivele pe term mediu în ceea ce priveşte organizația şi personalul. Un orizontpe trei ani permite creionarea unei viziuni care dezvoltă în od fundamental situația curentă şi oferătimp şi opțiuni pentru a putea fi îndeplinită. În afară de asta, o perspectivă pe un an de zile poate fiutilă pentru a rezolva problemele „intermediare". Întrebarea este: "Ce ar trebui să fie peste trei, respectiv, un an de zile?"

A. Peste trei ani:
Unde vrem să ajungem?
Cum va arăta organizația: structură, procese, proceduri, funcții?

Ce fel de personal vom avea nevoie?
- Număr
- Calificări

B. Peste un an:
(Această perspectivă se referă la modificările programate din momentul prezent pe un orizont de un an, cu impact direct asupra previziunilor bugetare)
Ce fel de personal vom avea nevoie?
- Număr
- Calificări

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Pas 3 **Determine the ways and means to achieve the objectives**

After the objectives have been set, one needs to determine the way and means to achieve the objectives. That result in the medium-term strategic plan (strategy = objectives + ways & means).

Main question: "How should the objectives be achieved?"
(Plan: what, how, who, why, when, where, with what (resources))

- Actions
- Decisions

Examples **Strategy**

- *Reduce manual data processing in accounting department by introducing computerised accounting system. Requires less staff for routine tasks; is expected to result in lower personnel cost and higher quality of reports and analyses. Development and implementation will take 2 years, once decided.*
- *Outsourcing of bill distribution. Can be done more efficient by postal service. Necessity for reduction of bill distribution staff: to be transferred, laid off or through natural turnover. Implementation over 1 year.*

Pas 4 **Determine what to do now – short term**

Operationalise the strategy. To achieve the medium term objectives and implement the plan, one needs to make a start. Main question is: "What should be done now?" (What, how, who, why, when, where, with what (resources))

Examples ***Short term***

- *Improve and upgrade job descriptions for the identified new posts.*
- *Ban on recruitment for 'to be reduced posts'*
- *Training and other career development measures to prepare staff for new tasks.*

5 PERSONNEL PLAN

In staffing, it is not uncommon to have three different levels of staffing:

- Approved staffing. The number of staff as approved by the top management of the company. Usually, personnel budgets are linked to the approved staffing levels. In Romania, most water companies show these approved numbers in their organisation charts.
- Actual staffing. The number of staff presently working in the company. It is the number of staff on the actual payroll. This is usually lower than the approved staffing (vacancies); sometimes however higher.
- Desired staffing. This is the view of the management for the ideal situation and may deviate from the approved staffing.

Format for personnel plan

A proper personnel plan consists of three elements: organisation chart, list of staff and list of actions.

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1. **Organisation chart**

- For all organisation units indication of planned staffing
- In case the organisation chart is going to change, the old and the new charts, clearly indicating where the changes are.

2. **List of staff**

- Organisation unit
- Functions
- Number of staff per function

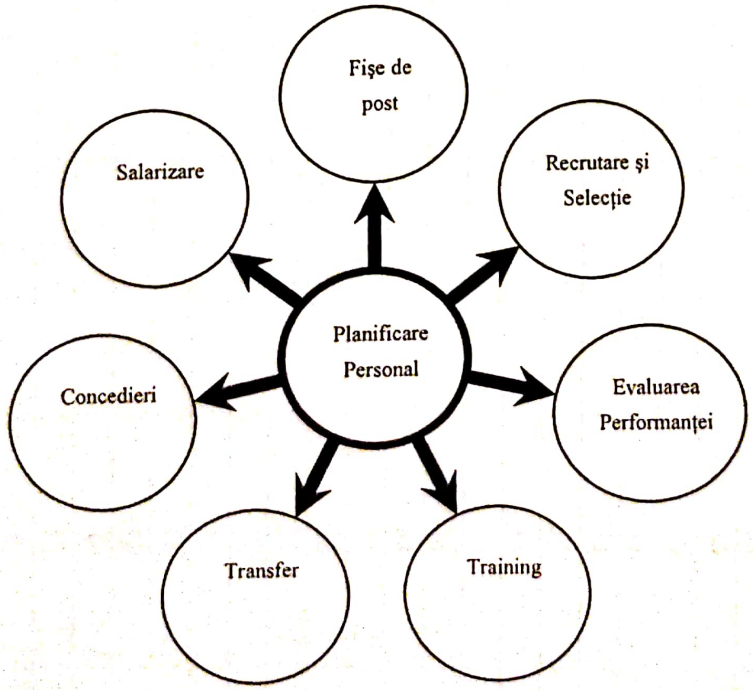
3. **List of actions to arrive at desired staffing level**

The static information need to be complemented by a summary of actions indicating what to do to achieve or maintain the desired staffing level and qualifications. (Plan: what, when, where, why, who, how, resources).

6 IMPLEMENTATION

Availing of a personnel plan is one step, but not sufficient to arrive at the desired staffing and performance. It should follow with implementation. Typically, the HR instruments and ways for implementing a personnel plan are the following (see also Figure 2):

Fig 2 Relația dintre planul de personal și alte instrumente și sisteme



- Job descriptions. They are a centrepiece in HRM and are used for e.g. recruitment, training, performance appraisal and remuneration system.

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- Personnel appraisal system
- Recruitment and selection of staff
- Transfer of staff
- Layoffs and dismissal
- Training
- Remuneration system (adequate remuneration for the qualities of personnel one wishes to have)

Further, the personnel plan should be translated into financial consequences, notably the personnel budget (salaries, allowances, insurance, pension premiums etc.). Also, eventual other organisational effects and measures should be elaborated. E.g., changes in personnel may require changes in work place, housing, equipment, instruments.

7 MONITORIZARE

Planul de personal şi implementarea lui trebuie periodic monitorizate. Experţii RU şi managementul trebuie să revizuiască statutul şi progresul privind atingerea obiectivelor şi măsurile stabilite prin planificarea de personal. Orice schimbare de situaţie trebuie să se reflecte în planul de personal sub forma unor amendamente, ori modificări ale statutului curent.

Principalele întrebări în activitatea de monitorizare sunt:

- Ne apropiem de numărul de personal şi de nivelul de calificare stabilite în planul de personal? (Analiza actual versus aprobat versus dorit)
- Performanta se imbunătăţeşte treptat? (Analiza criteriilor generale de performanţă şi a rezultatelor obţinute în evaluarea personalului)
- Principalele estimări din planul de personal mai sunt valide?
- Au amărut schimbări majore sau circumstante inedite?
- Acţiunile prevăzute sunt cost-eficiente?
- Se pot găsi acum soluţii mai eficiente?

Monitorizarea se face pentru a evalua stadiul de desfăşurare alactivităţii şi pentru a determina dacă au apărut elemente noi şi cum pot fi acestea incluse în respectivul plan..

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instruments that will allow HR managers and line managers to arrive at a more pro-active personnel planning.

1.2 Structure of this manual

In this manual the following topics will be dealt with:

- Time perspective (Chapter 2)
- Analyses for personnel planning: the inputs and variables that may influence personnel strength (Chapter 3)
- How to come from analyses to plan (Chapter 4)
- Personnel plan format (Chapter 5)
- Implementation of personnel planning (Chapter 6)
- Monitoring of personnel planning and the related activities (Chapter 7).

PERSONNEL PLANNING – THE TIME PERSPECTIVE

Time can bring more and better solutions...

Personnel planning means looking forward and trying to steer and influence the future situation. But when you have some more time available....

- One may look into the problem or desire more thoroughly and develop alternatives
- There is more time available to negotiate and take decisions
- There is more time to prepare and even test the measures and solutions.

Example River crossing

You are at the bank of a river and you need to cross that one. If you have only half an hour time, there are only few options:

- *Trial and error: try to cross the river and find out whether you can do it knees deep in the water, have to swim or perhaps even will drown.*
- *Briefly look around and find out whether there is a bridge, ferry or other way of crossing.*
- *Abandon crossing the river.*

In case you have a week available, likely you have far more options. E.g.:

- *Building a raft, boat or a small bridge.*
- *Make a survey in the surroundings with regard to alternatives for crossing (existing ferries, bridges, tunnels)*
- *Wait till the water level drops: it may be a tidal river or the river is just experiences a flooding which will afterwards reside.*
- *Find out from local people ways and assistance to cross the river safely and in a convenient way.*

It is also imperative that once the organisation 'knows' where it wants to be, it starts to work on it right now, to ensure that the organisation is indeed ready for the future. Some activities need time!

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Personnel planning therefore needs to look in the future and deciding what will be done. Taking a too short time frame is not that useful as your options for steering and action are limited.¶
A time frame of half a year is a practical minimum, but only for short term measures. For real personnel planning, a time horizon of approximately 3 year (medium-term) is more appropriate and recommended. ¶
¶
The leading questions for personnel planning becomes therefore:¶

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Example ***Prepare staffing of wastewater treatment***

You know that there will be a new, modern wastewater treatment in some 3 years time. New technology and more efficiency of operations are foreseen. You may expect that this will require fewer personnel to operate, however with higher qualifications. You may decide e.g.:

- *To stop starting now recruitment of unskilled workers in case of vacancies. Alternatively, in case really required, the workers are offered a temporary labour contract only.*
- *Seek possibilities to transfer workers from the treatment works that miss the proper qualifications for the future to other functions in the organisation.*
- *Draw up job descriptions for the 'new style operators' and start to train existing staff and/or recruit new staff.*
- *Ensure sufficient and adequate training opportunities, e.g. external or on-job during construction of the treatment works.*

Now versus future

For personnel planning, information from and collaboration with line management is of utmost importance. Yet, line management is usually heavily occupied with the day-to-day business, certainly the operational managers. They usually devote little time with regard to the medium term. Often simply because that time frame is not theirs and they have little say in it. Their concern is 'today and tomorrow'. Asked about staffing, they often voice that they need more and more qualified staff to deal with the job. Apart from that: "No changes possible, no changes please…".

The task and challenge of HR and top management is break through the pattern of the today's problems and bring the future perspective. Also, by a time horizon of 3 years the problems of today can be bypassed or even ignored.

The strategic approach for personnel planning is therefore to take as starting point 'over three years' and go backward to decide what should be done to arrive there. This approach is usually more convenient and productive than trying to address the most pressing problems of today and gradually scale that up to a medium-term perspective.

3 ANALYSES: INPUTS FOR PERSONNEL PLANNING

Personnel planning requires information on the future as well as on the existing situation. Based on the analyses of this information, one can decide what the objectives should be and how to arrive at or approach that situation.

Of course one should aim at the future, but without proper information about the current situation – the point of departure - it will be difficult or even rather useless to determine what one should do to achieve the objectives.

Current situation – 'how are we doing?'

Information about the current situation is about the organisational setup, the organisational performance, personnel working with the organisation and the performance of personnel in general.

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Usually, this information is in one or the other way available or can be made available. Typically, one should think of:

- Organisation chart
- Key performance indicators (technical, financial, personnel), benchmarking and trend analyses
- List of staff (approved formation and actual list of staff)
- Reports and analyses consolidated from performance appraisal system
- Experiences (data) with regard to turnover and recruitment of staff
- Indications for areas and competences that require improvement; indications for areas and compentences that are well-performing and successful (SWOT).

Mapping the areas for improvement and well-performing or successful areas can sometimes be done through a SWOT analyses. (SWOT = strengths, weaknesses, opportunities and threats).
For a certain organisation or organisational unit, one looks into the positive and negative forces and factors that influence performance. Internally: in the unit of observation as well as external.
SWOT does not only look at the current situation, but also already a bit ahead. For our purpose of personnel planning, SWOT should particularly address and focus on matters of and relevance for organisation and personnel. (Not everything is important or relevant).

A SWOT analyses can be summarised in a matrix.

Fig. 1 Example SWOT analyses summary

	Positive factors and forces	**Negative factors and forces**
Internal	**Strengths** 1. Sufficient qualified staff 2. Little downtime, no complaints 3.	**Weaknesses** 1. High cost of staff 2. Obsolete equipment 3.
External	**Opportunities** 1. New technology available for process control. 2. External finance accessible for innovations. 3.	**Threats** 1. Growing cost of labour (labour market problems) 2. Labour protection regulations result in cumbersome procedures. 3.

The future – 'what is it likely to be?'
Of course, it is difficult if not impossible to fully predict the future. And the more distant this future, the more uncertain it usually is. Yet, a number of developments, ideas or even matters of facts of the organisation and its environment can and should be sketched. There are views about the future, there are policies and plans, there are ambitions, there is upcoming legislation, there are changing sources of finance and so on. The water company is already experiencing and dealing with these, so looking into the future and trying to steer, prepare and cope with this is nothing unusual in the water company. Perhaps doing that specifically for personnel is somewhat new…

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With regard to the information one need to gather, analyse and consider, this is typically the following:

- Company policy. HR is part of the company policy. So, company policy documents may contain (or better: should!) statements that are relevant for HR management. There may be even a specific HR policy. How does the company view its staff, its human resources? What does it want to do with them? How are the roles, relations and responsibilities? Does the policy envisage certain changes?
- Master Plan. How does the organisation view its future? What will be the service areas, customers, technology? What will that imply for organisation and personnel?
- Business Plan. Quite some companies avail of a multi-year business plan. In this business plan, the strategy and ambitions are elaborated in more concrete objectives, activities and resources. Notably, the financial aspects of the strategy and ambitions are reflected in a business plan.
- Plans to change the organisation (e.g. regionalisation, outsourcing).
- Expected and foreseen changes in technology. This covers both the 'technical technology' and the non-technical technology. The latter e.g. administrative systems, information systems, communication and decision-making. Main question in this is: "Are we going to do the things differently?"
- Expected work load: more/less customers, volume units, transaction, hours, irregularities etc.
- Expected turnover of staff: retirements, voluntary leave.
- Changes in the labour market (schools, education, training institutes; competition and surpluses)
- Cost of personnel: internally the remuneration system, externally developments on the labour market.
- Labour regulations. New regulations may force certain changes in personnel management, e.g. qualifications, safety measures.
- Plan to improve organisational performance and management systems. E.g. efficiency improvement, quality assurance systems, integrated management systems.
- General trends and development in society, having effects on the personnel and organisation. E.g. flexibility of working hours, communication and democracy, views on management systems. Often, these demands may be voiced by trade unions and other representing organisations.

It is certainly possible to predict, sketch or assume a number of important factors and changes that may have their effects on personnel and organisation. That picture may not be complete or perfect, but a picture can usually be sketched.
Anyhow, monitoring is part-and-parcel of HR management. That means that over time one can review the picture and change or refine it as and when required.

4 FROM ANALYSES TO PLANNING: HOW TO

4.1 General

Analyses and planning can not strictly be separated. Gradually, one moves from the analyses into a plan. Also, there is hardly a 'scientific' way to arrive at a personnel

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plan. A lot is depending on managerial insight, experience and 'feeling'. Yet, some guidelines can be provided to assist management and HR experts in arriving at a personnel plan.
This chapter presents a practical methodology for personnel planning. First, the approach is elaborated (Section 4.2), thereafter a step-by-step methodology is presented (Section 4.3).

4.2 Approach

Level of management
Personnel planning should be done at a relative high level of the organisation, at least at the level where the management can still give shape to the future in terms of strategic decisions. Therefore, for personnel planning the right level of management needs to be determined. That management level should have sufficient insight and 'oversight' and be able to consider and decide on alternatives. Generally speaking, on the lower levels, management is in practice hardly in a position to consider strategic alternatives and decide upon it. This level is merely in charge with tactical-operational matters of today and tomorrow. These lower management levels may provide information and be consulted, but are usually not the main actors in personnel planning. Additionally, the lower management levels are often relatively 'conservative' with regard to 'their' subordinates and often they incline to protect their 'kingdom': hardly enough staff, but those who are there are properly qualified. It is therefore difficult to expect a critical and 'change' attitude from them.
In a water company, the personnel planning should therefore likely not be discussed at the level of sections, but at the level of departments. (Not the treatment, but production; not repair section, but distribution; not billing section collection, but commercial).

Management responsibility
The discussions on personnel management require that the involved management levels are indeed and feel responsible for the performance of their organisational unit and the organisation as a whole. This means that:

- Management should aim at effective and efficient operations of the organisation. Objectives and performance criteria should be clear and transparent.
- Management should have insight information about the performance of their units and the organisation as a whole. Performance reports and access to and sharing of information are crucial in these.
- Management should be in a position to take decisions regarding in this case notably personnel and organisation.
- Management should be held accountable for their organisational units and the performance.

This requires an active role of management and a commitment to 'get the best out of the organisation'.

4.3 Planning methodology – 4 steps

The process from analyses to an operational plan can be done with a step-by-step approach.

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Table 1 **4-steps**

Pas 1	Sumarul analizei
Pas 2	Determinarea obiectivelor
Pas 3	Determinarea modurilor şi a mijloacelor de atingere a obiectivelor
Pas 4	Determinarea acţiunilor care trebuie realizate

Pas 1 **Sumarul analizei**

Sumarul nanlizei trebuie făcut pâna la punctul în care ne asigurăm că stim care sunt principalele problele ce trebuie rezolvate, şi cunoastem nevoile de personal. Numai problemele mai importante sunt menţionate, nu şi cele minore sau evidente.

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Table 2 Sumar analiză

	Aspect	Concluzii
A	Politica companiei şi planuri • Politici generale • Planuri	
B	Rezultate • Mai mult, mai puţin, diferite tipuri de rezultate	
C	Măsuri de eficientizare necesare	
D	Tehnologie • Hardware • Sisteme informatice • Modul de lucru	
E	Presiune externă, factori • Legislaţie, regulamente • Piaţa muncii	
D	Personalul curent • Număr • Calificări • Performanţă • Schimbări anticipate	

Pas 2 Determină objectivele

Pe baza sumarului analizei efectuate, managementul trebuie invitat să precizeze care sunt obiectivele pe term mediu în ceea ce priveşte organizaţia şi personalul. Un orizontpe trei ani permite creionarea unei viziuni care dezvoltă în od fundamental situaţia curentă şi oferătimp şi opţiuni pentru a putea fi îndeplinită. În afară de asta, o perspectivă pe un an de zile poate fiutilă pentru a rezolva problemele „intermediare". Întrebarea este: "Ce ar trebui să fie peste trei, respectiv, un an de zile?"

A. Peste trei ani:
Unde vrem să ajungem?
Cum va arăta organizaţia: structură, procese, proceduri, funcţii?

Ce fel de personal vom avea nevoie?
- Număr
- Calificări

B. Peste un an:
(Această perspectivă se referă la modificările programate din momentul prezent pe un orizont de un an, cu impact direct asupra previziunilor bugetare)
Ce fel de personal vom avea nevoie?
- Număr
- Calificări

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Pas 3 **Determine the ways and means to achieve the objectives**

After the objectives have been set, one needs to determine the way and means to achieve the objectives. That result in the medium-term strategic plan (strategy = objectives + ways & means).

Main question: "How should the objectives be achieved?"
(Plan: what, how, who, why, when, where, with what (resources))

- Actions
- Decisions

Examples **Strategy**

- *Reduce manual data processing in accounting department by introducing computerised accounting system. Requires less staff for routine tasks; is expected to result in lower personnel cost and higher quality of reports and analyses. Development and implementation will take 2 years, once decided.*
- *Outsourcing of bill distribution. Can be done more efficient by postal service. Necessity for reduction of bill distribution staff: to be transferred, laid off or through natural turnover. Implementation over 1 year.*

Pas 4 **Determine what to do now – short term**

Operationalise the strategy. To achieve the medium term objectives and implement the plan, one needs to make a start. Main question is: "What should be done now?" (What, how, who, why, when, where, with what (resources))

Examples ***Short term***

- *Improve and upgrade job descriptions for the identified new posts.*
- *Ban on recruitment for 'to be reduced posts'*
- *Training and other career development measures to prepare staff for new tasks.*

5 PERSONNEL PLAN

In staffing, it is not uncommon to have three different levels of staffing:

- Approved staffing. The number of staff as approved by the top management of the company. Usually, personnel budgets are linked to the approved staffing levels. In Romania, most water companies show these approved numbers in their organisation charts.
- Actual staffing. The number of staff presently working in the company. It is the number of staff on the actual payroll. This is usually lower than the approved staffing (vacancies); sometimes however higher.
- Desired staffing. This is the view of the management for the ideal situation and may deviate from the approved staffing.

Format for personnel plan

A proper personnel plan consists of three elements: organisation chart, list of staff and list of actions.

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1. **Organisation chart**

- For all organisation units indication of planned staffing
- In case the organisation chart is going to change, the old and the new charts, clearly indicating where the changes are.

2. **List of staff**

- Organisation unit
- Functions
- Number of staff per function

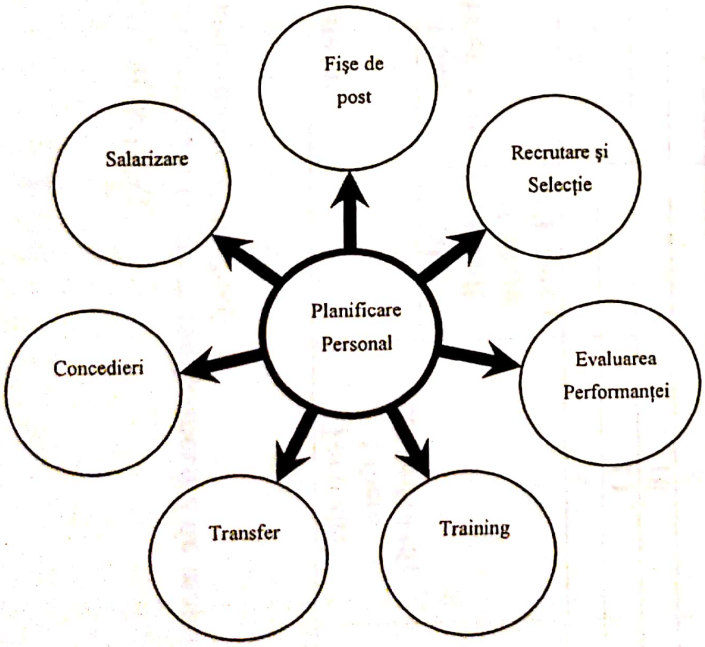
3. **List of actions to arrive at desired staffing level**

The static information need to be complemented by a summary of actions indicating what to do to achieve or maintain the desired staffing level and qualifications. (Plan: what, when, where, why, who, how, resources).

IMPLEMENTATION

Availing of a personnel plan is one step, but not sufficient to arrive at the desired staffing and performance. It should follow with implementation. Typically, the HR instruments and ways for implementing a personnel plan are the following (see also Figure 2):

Fig 2 Relația dintre planul de personal și alte instrumente și sisteme



- Job descriptions. They are a centrepiece in HRM and are used for e.g. recruitment, training, performance appraisal and remuneration system.

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- Personnel appraisal system
- Recruitment and selection of staff
- Transfer of staff
- Layoffs and dismissal
- Training
- Remuneration system (adequate remuneration for the qualities of personnel one wishes to have)

Further, the personnel plan should be translated into financial consequences, notably the personnel budget (salaries, allowances, insurance, pension premiums etc.). Also, eventual other organisational effects and measures should be elaborated. E.g., changes in personnel may require changes in work place, housing, equipment, instruments.

7 MONITORIZARE

Planul de personal şi implementarea lui trebuie periodic monitorizate. Experţii RU şi managementul trebuie să revizuiască statutul şi progresul privind atingerea obiectivelor şi măsurile stabilite prin planificarea de personal. Orice schimbare de situaţie trebuie să se reflecte în planul de personal sub forma unor amendamente, ori modificări ale statutului curent.

Principalele întrebări în activitatea de monitorizare sunt:

- Ne apropiem de numărul de personal şi de nivelul de calificare stabilite în planul de personal? (Analiza actual versus aprobat versus dorit)
- Performanta se imbunătăţeşte treptat? (Analiza criteriilor generale de performanţă şi a rezultatelor obţinute în evaluarea personalului)
- Principalele estimări din planul de personal mai sunt valide?
- Au amărut schimbări majore sau circumstante inedite?
- Acţiunile prevăzute sunt cost-eficiente?
- Se pot găsi acum soluţii mai eficiente?

Monitorizarea se face pentru a evalua stadiul de desfăşurare alactivităţii şi pentru a determina dacă au apărut elemente noi şi cum pot fi acestea incluse în respectivul plan..

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What does the organisation need in terms of quantities and quality of staff for the tasks which need to be done over approximately 3 years time?

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